

FILED
09-03-2020
CIRCUIT COURT
DANE COUNTY, WI
2019CV001209

Northwestern National Insurance Company
Statement of Operations
June 30, 2020

ADMITTED ASSETS

| | CURRENT YEAR MONTH END | PRIOR YEAR YEAR END |
|--|-----------------------------------|--------------------------------|
| CASH & INVESTMENTS: | | |
| Cash | 2,269,896 | 2,188,505 |
| Restricted Cash | 1,042,006 | 1,208,901 |
| Bonds | 2,059,243 | 2,059,542 |
| Investment in Compass Insurance Company | - | 5,861,841 |
| Total Cash & Investments | \$ 5,371,146 | \$ 11,318,789 |
| Accrued Investment Income | 17,706 | 23,255 |
| Reinsurance Recoverable on Paid Losses | 30,786 | 179,877 |
| Escrowed Court Funds | 760,590 | 760,590 |
| Premium Receivables | - | 4,336 |
| Recoverable on Unpaid Case Loss Reserves | \$ 5,000,000 | \$ 4,000,000 |
| TOTAL ADMITTED ASSETS | \$ 11,180,227 | \$ 16,286,847 |

LIABILITIES & POLICYHOLDERS' SURPLUS

| | | |
|---|------------------------|-----------------------|
| LIABILITIES: | | |
| Distribution Class 1 - Unpaid Unallocated LAE Reserves | 390,651 | 489,158 |
| Distribution Class 1 - Admin Expenses (P&C) | 1,103,334 | 572,310 |
| Distribution Class 1 - Admin Expenses (Life and Health) | 1,242,651 | - |
| Distribution Class 3 - Unpaid Case Loss Reserves (P&C) | 9,049,078 | 7,404,489 |
| Distribution Class 3 - Unpaid Case Loss Reserves (Life and Health) | 5,316,762 | - |
| Distribution Class 3 - GA Paid Loss (P&C) | 1,129,611 | 715,726 |
| Distribution Class 3 - GA Paid Loss (Life and Health) | 1,051,050 | - |
| Distribution Class 4 - Unearned Premiums | 123,688 | 123,688 |
| Distribution Class 5 - Other claimants | 5,364,460 | 9,271,246 |
| Distribution Class 5 - Unpaid Case Loss Reserves - Compass Assumed Business | - | 46,630 |
| Funds Held | 1,535,256 | 1,964,889 |
| Total Liabilities | \$ 26,306,542 | \$ 20,588,137 |
| SURPLUS: | | |
| Policyholders' Surplus (Deficit) - Beginning | (4,301,290) | (174,985) |
| Change in Compass Ins Co | 3,701,102 | (28,824) |
| Year-to-Date Net Income (Loss) | (14,526,126) | (4,097,481) |
| Total Policyholders' Surplus (Deficit) - Ending | \$ (15,126,314) | \$ (4,301,290) |
| TOTAL LIABILITIES & POLICYHOLDERS' SURPLUS (DEFICIT) | \$ 11,180,227 | \$ 16,286,847 |

Northwestern National Insurance Company
Statement of Operations
June 30, 2020

| | 2020 Year-to- Date | 2019 Year-to- Date |
|--|-------------------------------|-------------------------------|
| NET PREMIUMS EARNED: | | |
| Total Gross Premiums | - | 113,276 |
| Total Premium Ceded | - | - |
| Total Change in Net Unearned Premium | - | 1,832 |
| Total Net Premiums Earned | \$ - | \$ 115,108 |
| NET LOSSES AND LAE INCURRED: | | |
| Net Losses Paid - P&C | 317,580 | 995,209 |
| Net Losses Paid - Life and Health | 1,051,050 | - |
| Change in Unpaid Losses and IBNR - P&C | 644,589 | (4,824,651) |
| Change in Unpaid Losses and IBNR - Life and Health | 5,316,762 | - |
| Net LAE Paid | - | 230,476 |
| Change in Unpaid LAE and LAE IBNR - P&C | (98,506) | (2,026,611) |
| Total Net Losses and LAE Incurred | \$ 7,231,475 | \$ (5,625,577) |
| OPERATING EXPENSES: | | |
| Payroll and Insurance | 16,635 | 58,839 |
| Travel and Meetings | 5,561 | 9,856 |
| Rent | 27,064 | 80,907 |
| Software and Equipment | - | 17,190 |
| Office Costs | 279,580 | 159,555 |
| Legal/Consulting/Audit Fees | 374,404 | 387,506 |
| Claims System Fees | - | 129,921 |
| Records Management | - | 44,677 |
| Service Fees | 1,439,978 | 845,858 |
| Class 5 - Other claimants adjustment | (3,906,786) | 9,220,629 |
| Investment Funds seized by the State | - | 2,529,942 |
| Change in Premium Deficiency Reserve | - | (3,815,260) |
| Other Expenses (Income) | (471,675) | 27,166 |
| Total Operating Expenses | \$ (2,235,239) | \$ 9,696,786 |
| UNDERWRITING GAIN (LOSS) | \$ (4,996,235) | \$ (3,956,100) |
| INVESTMENT & OTHER INCOME: | | |
| Interest and Dividend Income | 33,052 | 187,535 |
| Realized Gain (Loss) on Investments | (9,562,944) | (328,915) |
| Total Investment & Other Income | \$ (9,529,891) | \$ (141,381) |
| NET INCOME (LOSS) | \$ (14,526,126) | \$ (4,097,481) |